

**SANTA CLARA CITY COUNCIL WORK MEETING
WEDNESDAY, FEBRUARY 3, 2016
MINUTES**

THE CITY COUNCIL FOR THE CITY OF SANTA CLARA, WASHINGTON COUNTY, UTAH, met for a Work Meeting on Wednesday, February 3, 2016 at 5:00 p.m. in the City Council Chambers of the Town Hall at 2603 Santa Clara Drive, Santa Clara, Utah.

Notice of the time, place and agenda of the meeting was provided to the Spectrum and to each member of the governing body by emailing a copy of the Notice and Agenda to the Spectrum and also, along with any packet information, to the mayor and each council member, at least two days before the meeting.

Present: Mayor Rick Rosenberg
Council Members: Jerry Amundsen, Ken Sizemore, Mary Jo (Tode) Hafen, Herb Basso and Jarett Waite
City Manager: Edward Dickie
Recorder: Chris Shelley

Others Present: Brock Jacobsen, Assistant City Manager; Jack Taylor, Public Works Director; Brad Hays, Parks Director; Corey Bundy, Building Official; Bob Nicholson, City Planner; Matt Ence, City Attorney; Lee E. Hughes; James Call; Kyle Hafen; Bradi Eardley; Kevin Lewis; Joe Platt; Rex Oliver; Patrick Mann; Curtis Jensen, Planning Commission Chairman

1. Call to Order: Mayor Pro tem Tode Hafen called the meeting to order at 5:05 p.m.

- Mayor Rosenberg was excused because he was in another meeting and arrived at this meeting shortly after it began.

2. Working Agenda:

A. General Business:

3. Discussion regarding Pickle ball courts.

- Brad Hays, Parks Director, mentioned that the City is building six new pickle ball courts at Gubler Park. They are just about complete. He said that they have been approached by several entities that want to rent them for tournaments. He asked the Council if the City should rent them out. He said that he talked to other cities. Some rent them out and some allow the courts to be reserved. He felt that the City shouldn't rent them out until the roads are done and the newness of the courts wear off. He said maybe it should be on a case-by-case basis. He said there is not a lot of parking there yet.

- Jarett Waite said that several residents from Jacob Drive concerned about traffic through there.

- Herb Basso said that he favors tournaments with some reservations. He thinks they should be limited by choice and numbers. Economically speaking, tournaments bring

big money to the City. Tournaments bring people into the community.

- Ed Dickie, City Manager, said that Paradise Village at Zion is marketing the courts as part of what they are doing.

- Ken Sizemore said that he has been approached from the Rotary Clubs in the community that want to schedule tournaments here. He agrees that the City should consider tournaments but that there should be policies crafted.

- Jerry Amundsen says he agrees with having tournaments but maybe they should hold off on renting things out until they see how things play out and how the usage goes with the residents.

- Tode Hafen agreed and said let's wait and see.

- Herb Basso said to wait 4-6 months before scheduling tournaments.

- Brad Hays said that they don't currently have the funds to finish the road but hope to soon and that the 6 months would probably help a little bit with residents there.

- Mayor Rosenberg arrived at the meeting and apologized for being late. He said that he was meeting with a couple of residents about the landslide.

1. Discuss a resort type of development to be located at the top of Gates Lane.

- Patrick Mann, Partner with Split Rock, said they purchased this property and wanted to wait and see what they would do with it. He said that Money Magazine ranked this area the number 1 place to retire and specifically the outdoor living. He thought that as a developer he hasn't done a very good job of doing the same. He said that if the City of Santa Clara, over time wanted to open its doors to guest with more of a visitor type, there is no better place to do that than on the west end of town, right at the trail heads. He said they want to promote more outdoor experience with this property. He said that the goal with this project is to have enough units that they can afford to have decent amenities, such as a club house and pool and pro shop where guests can rent ATV's, mountain bikes, etc. He said he is against "bringing your own management" companies. He wants to have a professional hotel operator, a reservation system infrastructure and services that keeps everything consistent. There would be underground parking and small storage areas. They showed slides of the proposed units. They don't currently have the zoning. Is this consistent with the future of Santa Clara? They are passionate about this project.

- Mayor Rosenberg said that he and the staff are meeting with the BLM tomorrow morning to discuss usage of South Hills and trailhead access and getting an RP&P. There may be possible improvement of the roads to get to trails. We are hoping to talk about the shooting range too. He said this piece is medium density residential so with the bonus they could submit for zone change up to 12, at least 8 and comply with the General Plan. This plan is less than 12. It's about 10 per acre. They would have to go to the PD Zone change.

- Herb Basso said that he likes this concept if it is multiuse.

- Ken Sizemore said that he is encouraged with this kind of a concept. He said the Council needs to explore it. He said the City needs to accommodate a demand that is growing exponentially there at that location. He doesn't think it is an easy go with the residents. He encourages the developers to continue on.

- Ed Dickie said that tomorrow's meeting isn't just with the BLM but also with the

County, and Cimmaron and Huntsman Games Representatives and the NCIA (Mountain Bike Association). He said that there is a lot of interest for this area to become a very used area for a lot of these events. He said they are excited for that and he thinks this project will really fit in.

- Jarett Waite said he likes the walking distance to downtown. He liked the design a lot.

- Tode Hafen asked if they are planning nightly rentals or weekly rentals or if they would be residents. She feels it is what they have been looking for out there. Her concern is for residents in the area. She doesn't know how they will feel about it.

- Patrick Mann said that the down side may be the noise of the ATVs. On a positive end, there are more buyers and adds vibrancy to the city. He said more people will be buying these to rent.

- Jerry Amundsen said that he is a total advocate of this. It may be an uphill climb with some of the residents. He suggested getting some traffic generation numbers of what the development will generate. He said that is a complaint. He said if they have those numbers, it will go well for them.

- Curtis Jensen, Planning Commission Chairman, thinks the issues raised are legitimate but he thinks the concept is pretty good. He said that a lot of the neighbors are against the population growing but not if it is planned right. He also has some concern with the 4 wheelers, the noise and the hours that they are operated there might have to be some courtesies there. He said they are eager to hear the plans.

- Kevin Lewis, Washington County Sports and Outdoor Recreation, asked if the parking would be private or public.

- Patrick Mann said it would be private parking. He said there would be a trailhead area further to the south.

- Herb Basso said he doesn't see it very difficult to have a trailhead staging area.

- Mayor Rosenberg said that he thinks that is going to be a big component of the discussion at the meeting tomorrow. Right now the parking is on private property. He said they really need, between the City and the BLM, to facilitate a public parking area. He said there is a significant daily use.

- Bob Nicholson asked if the lockout units have their own bathrooms.

- Patrick Mann said they do have their own bathrooms and at least a mini kitchen.

- Bob Nicholson said they need to have the parking area laid out. He is concerned about the parking.

- Mayor Rosenberg asked if these public rentals constitute a commercial use. He wanted to know if this is mixed or medium. Does something have to be done General Plan amendment oriented to facilitate that or are they okay?

- Patrick Mann said they envision it being a full hotel type of operation, full hospitality. He said nothing is mandatory. All the amenities will be available to the public.

- Mayor Rosenberg wondered if they have to start with zoning or with General Plan. He said he can see how it can be handled in the PD zone.

- Patrick Mann said that part of the property they have purchased is the 12 acre commercial property off of Gates Lane and Santa Clara Drive. They don't have anything planned for that property yet.

- Ken Sizemore asked if they are still counting units for the South Bridge.

- Jack Taylor, Public Works Director, said they are installing a low water bridge because of the number of units over there.

- Brad Hays said that on the map of the site plan there are two bike trails. He wanted to know if those trails are open to the public. He also wanted to make sure the 10 foot easement will stay in place.
- Patrick Mann said that the trails will be public and he said they would honor the easement.
- Jack Taylor said that he thinks this is a great project. He said it will support the City's businesses and it has been Council's vision for a number of years.

2. Solar Discussion

- Jack Taylor said that there has been a lot of discussion and work that has gone into this over the last few months. He said they started with the first policy and found out that it wasn't working right, so they went with the feed-in tariff. He said the residents seemed to have a difficulty with the City purchasing the power from them and basically selling it back to them at a higher price. He said they started to look at a demand charge, like St. George City does. He said they feel like they have nailed it down now. He said they have met with some of the public. He said the people of St. George have had no complaints. He said they have put a power point together and he and Bradi Eardley presented it to the Council.
- Bradi Eardley said that this is a win-win situation. The customer uses energy from Santa Clara from the system. They produce their power. If the customer produces more energy than the home needs, the excess energy is fed into the utility. Santa Clara provides power to the customer when needed. The customer is then billed off of the net usage between what they used from the City and the energy they fed into the utility. The solar customer pays the base rate that everybody else pays. If they use more energy from the City then they gave to the City, they pay the difference. If they provide more energy to the City then they used, they are going to be paid the renewable power rate. St. George offers 4 cents but Santa Clara wants to pay 6 cents. She said that from the Avoided Cost Study that was done in December, to cover the City's costs they need to collect \$4.13 per kw installed on a home for our power system to maintain infrastructure. Staff feels the Solar Reliability charge is the best possible win-win solution for the City and all of the residents. Santa Clara also needs to make sure our costs are covered so we can continue to provide energy to all of our customers. She said they have talked about limiting how much kw the customer can put on. They want to bring that discussion forward. Right now the policy is set at 10. She said that right now if every customer were to put solar, the City's transformers would not hold out. It couldn't handle that much.
- Jack Taylor said their average customer right now is at 7.1 kw per residential unit. He said that is probably where they should be. He said that would probably fit better than 10. Pushing back can start to overheat the transformers. He talked about continued studies periodically and taking a look at the costs. It can change. Now that they have spread sheets they can enter the numbers and make changes when they need to.
- Matt Ence, City Attorney had to leave.
- Jarett Waite presented a power point to the City Council regarding solar. He said that he feels like he can be the voice for the citizens that are solar. He said that he has sat in meetings with the current solar owners. He has spoken with the energy departments in

various cities in the area. He has done a lot of research. He said the Public Utility Commission here in Utah is currently in the middle of hearings and figuring things out. In Utah an environmental value can't be given to solar. The renewable energy credits aren't worth anything here yet. What is solar really worth? He said that 2.7 is how we value solar. Right now it is just the hard numbers. He said whatever the Council does tonight will probably have to be overhauled fairly soon. He said that Jack has something in place that customers can live with and he thinks we're there but he thinks that will change. He asked the Council if he can get a consensus about how they want to go forward with solar. They can give Jack a little direction. He wants to know if what the City has on their webpage is true that "Santa Clara supports clean energy and we encourage the use of renewable resources". He said that's why he laid it out this way: so that it's not supportive which means it really isn't true on the website, mildly supportive or pro-solar. He said that he doesn't have an agenda and he isn't trying to convince the Council. He said he wants the Council to realize that the decisions they make do send signals to the residents and possible residents.

- Herb Basso said that the text on the handout doesn't sit well with him. He said that it puts him and other people in pigeonholes that aren't true or real. He said not one of those squares aren't true.

- Jarett Waite said that he wrote these over a two-day period. He said it is his perception of how people will see them about the decisions the Council makes. He asked if the City should have energy goals. He said he sat down with Jack and Ed yesterday and there aren't any energy goals and there isn't a budget for anything green. That may be something for the Budget Retreat. Does the Council want to spend money to promote green or not?

- Jack Taylor said they do budget \$3,000 a year that goes toward led lighting, fixtures, wind, etc.

- Herb Basso said they have policies in the City's rates that discourage waste and overuse.

- Jarett Waite said he is supportive of solar.

- Herb Basso said the Council needs to do the right thing and reflect the majority of the people of Santa Clara.

- Ken Sizemore said that green energy goals are much broader than just solar. He said they need to be considered in that bigger context. Solar is just one piece of moving forward into 21st century energy production and servicing residential units. He said they need to look at it more comprehensively.

- Jarett Waite said the solar customers feel picked on. He said the City charges to install solar panels. Do we charge the solar customer because they are reducing their usage? He said that there are perceptions that the Council needs to work through. There was a discussion of fairness to users. He said once you get down to the numbers and cents as to who bears the cost of solar that's a real problem.

- Herb Basso said should the City subsidize solar, no. But the City should encourage and facilitate through policy, yes.

- Jack Taylor said that the base charge is not covering all the City's costs.

- Jarett Waite talked about the \$5.00 monthly subsidy that St. George City offers their customers.

- Bradi Eardley reviewed what the \$5.00 subsidy would be for Santa Clara over 30 years. She said in 2014 they had 7 solar customers come in. The next year they had

17. She figured it at 10 customers added per year. She said you could run through each year what would happen at that 7.1 kw average every year over 12 months with the \$4.13 SR charge and the \$5.00 credit. The first year that would be a \$393.00 credit. If it continues to increase 10 every year over 30 year period the City will have given out \$256,500. That is increasing our customer connections. Each customer that is not solar would be taking in and increase of \$3.38.

- Mayor Rosenberg said the costs should be reviewed annually. He said as technology changes there will be a whole new set of issues that need to be resolved. He said the City needs to look at it annually just to keep up with technology.

- Jack Taylor said UAMPS is working with them as batteries come online they hope to have an agreement so that the City doesn't end up in the same situation they were in with solar hitting so fast and not being on top of it.

- Jarett Waite asked if it was in the policy that the Council would evaluate it yearly.

- Mayor Rosenberg said that he doesn't want to mandate a \$5,000 study by having the wrong word in the document. He said to just say they will review it annually.

- Jarett Waite asked how the Council feels about reducing someone's return investment by 30-40%. That's the average. He said we could leave the current solar customer alone and just make the new customers do the new program. He said the City is telling solar owner that the City put in a policy that they didn't understand the implications of and now we need a complete reset but is that the customer's fault? You will have to bear the cost of that. Is that the message the Council wants to send? He asked if the City should grandfather. He presented another power point. He reviewed what other cities have done.

- Jack Taylor said the policy can change in the future and that is stated in the policy.

- Ed Dickie said that the City's contract says that it can change.

- Bradi Eardley said that she personally handed out a lot of the net metering contracts. She said that they come to her window and after the first two contracts, every single contract she personally handed out, she told the customer that the City is in the process of changing it. She said she told them that they are going to sign the contract and are going to be hooked up to the system and that the policy is going to change. She told them that the City is not meeting costs. She said her issue with grandfathering is that even this new policy may change and does the City keep grandfathering because they will have done it before. At every point they would have to grandfather. She said all the customers signed knowing that it could change.

- Mayor Rosenberg talked with Jarett Waite about the reasons for people switching to solar. He struggles asking anybody to subsidize the solar customer because of grandfathering.

- Jarett Waite said the subsidy would work out to \$2.02 per customer per year, about 16 cents per month. He said if the property sells it goes to the new policy. He warned that there would be a big backlash if the grandfathering isn't granted to the current solar users.

- Ed Dickie reminded Jarett that when they spoke last night that Jarett mentioned that with the current policy recommended by Jack Taylor that only one or two owners might be upset but that most of them felt pretty good about where the City has gone and about the recommended new policy.

- Ken Sizemore feels that if you want solar to save greenhouse gases and improve the environment and help the world then pay the cost.

- Herb Basso said that he thinks that if you take away the subsidies of solar the issue will get better.
- Mayor Rosenberg said if the Council decided to grant the grandfathering, it would have to come out of the General Fund.
- Herb Basso said that the City has policies and rates in place and they want to be responsible to the constituents, to the environment, to the power industry and infrastructure. He said the Council shouldn't make a decision because it is politically correct to save face. He said they should make a decision because it's the right thing not because of what people might think of them.
- Jack Taylor said that Jarett has researched this and has learned a lot about it. He said that he has presented what the study is and what the costs are and he said they'll do whatever the City Council wants them to do. He said that it is his job to present the numbers and he feels that the numbers are good and are correct. He asked the Council if they can move quickly on this and get it done because there are more customers connecting. He wants this in place quickly. He said that the proposal is done and ready to come back to City Council. The solar customers have been notified.
- Jarett Waite said that they will meet with the solar customers again and talk through this.

- Mayor Rosenberg asked to be excused. He had another meeting to attend.

- Jack Taylor said the only other thing that he would like to see change would be that 10 kw go down to 7 kw per residential unit.
- Tode Hafen told Jarett that he has done a great job. She said that she feels that they have been informed and that he has nailed the numbers down.
- Jack Taylor said they will continue to notify customers as they come in that they are signing the policy but to remember that it can change.
- Ed Dickie said to set the public hearing next week for February 24 if the time period to post for a public hearing can be met.
- Jack Taylor said they will set up a public meeting and they will explain it to the solar customers just like it was explained to the Council tonight. He said they will put in the policy that the Council wants to look at it and review it each year. How does the Council feel about putting it down to 7 kw? He said that protects the City a little bit.
- Brock Jacobsen stated that it would be easier just to go with 7 kw.
- Jarett Waite says to go to 8 kw.
- The Council said they will go to 8 kw.
- Jack Taylor asked the City Council if they are going to grandfather the current solar users. Jarett Waite said yes. Herb Basso said no. Tode Hafen said no. Jerry Amundsen said no. Ken Sizemore said no.
- Ed Dickie stated that Matt Ence, City Attorney, recommended not doing the grandfathering also.

1. Staff Reports:

Corey Bundy

- There are 29 new home permits for the fiscal year 2015-2016. There have been six solar permits issued. There have been 45 various permits issued. There are currently

67 active building permits. Between January 8 and February 1 they have done 157 inspections.

- The Sycamores are submitting a drainage study and it's being reviewed by the City Engineer.
- They are working with the SITLA property owners on February 9 and having a discussion in Planning Commission to discuss the General Plan and the best use of that property.
- Planning Commission possible alternate member Lena Mathis will be coming to City Council to speak to Council. They want her as an alternate.
- They are working on various code enforcement things throughout the City.

Jack Taylor

- Highway 91 is moving forward. They are starting on February 8. They are putting up barricades. They will start on the east side by the Jacob Hamblin Home. They have to remove some of the road, sidewalk, curb and gutter because they have to move it closer to Swiss Village. The road will be closer to Swiss Village. There is a hotline. If there are any problems on the project, people can call UDOT and they will take care of any problems there might be. The road will drop down to a single lane for now. A lot of people will probably use Pioneer instead, which will be a really good thing for Harmons. The project will finish up sometime in July. There has been a little bit of a battle going on with the landscaping. They weren't sure if the NPO was going to allow them to add the street lighting and the landscaping back in. But because it was in the reports for the project they came back and said it was okay.
- He said they are working on getting the streets ready so they can do a slurry seal this year. It is just a band aid for now. New asphalt needs to be done eventually.
- Jarett Waite said that he has had some citizens complain about sagebrush from Rachel to Pioneer. It is chip sealed.
- Jack Taylor said that concrete and sidewalk have been put around the pickle ball courts. The lights and conduit have been installed. The pavilion has been poured.
- A lot of subdivisions are going on right now. It has been interesting to try and keep the mud off of the streets and get the companies to do what they are supposed to do.
- The power company is going to be doing a lot of tree trimming to clear in front of power lines.
- Ken Sizemore asked how visitors and residents are going to get around with the Highway 91 project. He would like Jack to put together a suggestion for visitors on how to get into the Reserve during construction.

Brad Hays

- Little League season is about ready to start up. There is already a schedule for girl's fast pitch. It will be on Tuesday, Wednesday and Thursday at Gubler Park. Little League wants to host their own tournament. He asked the Council if it would be all right to let them use that without adding fees. He would like it if they weren't charged anything but he needs the Council to approve that. He told them they need to have insurance to cover themselves. They will be finished by the first week of June. City Council said they are fine to waive the fee.

Brock Jacobsen

- The admin is focusing on the budget, getting that prepared with the department heads. They will meet every week to get that done.
- The Court is extremely busy right now. He has met with the Judge. They are getting another bailiff to help in the Court. The budget will increase a little bit to handle that.
- They have met with the auditors again, after their presentation to the Council, to go over the findings and look for solutions for them.
- He said they would like to get shirts for City Council again. He said at the meeting next Wednesday they will have a catalog to look at.

Ed Dickie

- Commended Jarett Waite for his work on the Solar Study and his representation of it.
- There is a new bill being proposed at the Legislature that all Judges have to have a law degree. That would mean the Judge for Santa Clara would not be able to be a judge. The law would probably say that all existing Judges can continue to be Judges until they are gone.
- Settling judgment on the litigation case will be next Tuesday at 10:00 a.m. in Room 3C.
- There will be a meeting tomorrow with BLM, the County, St. George City at the TRC at 8:30 a.m. to talk about the site for a staging site for the race.
- Feb. 22 is the budget retreat. There will be lunch at noon. It will go until 5 or 6 p.m.
- The Public Hearing for solar will be set next week. The public hearing itself will be on February 24.
- Arrowhead Elementary has contacted him about sidewalks on Arrowhead Trail and Lava Flow. He said he is going to tell the school to go door to door and talk to people and if they agree they want sidewalks, the City will put them in if the residents pay for the mud. He said they could go for the funding from UDOT but he doesn't know if there will be enough people that are willing. The school wants the City to make them do it but he doesn't want to do that. He doesn't know where this is going to go.
- Jack Taylor said that the School District has a STS Committee. The Principal should actually be going through that committee. He said that if it's approved there it is then brought back to the City. He has the number and name he can give Ed. The person to contact is Karen Bess and her phone number is 668-7770.
- Harmons is going to give City Council a tour before the opening. Ed will let the Council know when. The grand opening is February 24.

4. Executive Sessions: None

5. Adjournment:

Meeting Adjourned at 8:39 p.m.

Chris Shelley – City Recorder

Date Approved: _____